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6 February 1959

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CENTRAL INTELLIGENCE BULLETIN



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Next 1 Page(s) In Document Exempt

CENTRAL INTELLIGENCE BULLETIN

6 February 1959

DAILY BRIEF

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I. THE COMMUNIST BLOC

mo USSR: Khrushchev's invitation to President Eisenhower to visit the USSR, issued the day Prime Minister Macmillan announced that he would go to Moscow on 21 February, is a further move to demonstrate the USSR's desire for talks with Western leaders. Khrushchev misrepresented the President's press conference remarks of 28 January concerning a Khrushchev visit to the US in order to support the charge that American leaders want to

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reverse the "thaw" in Soviet-American relations which resulted from Mikoyan's visit. The Soviet leaders may plan to follow up Mikoyan's informal invitation to Vice President Nixon and Khrushchev's speech with formal overtures.

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USSR: A meeting of the Soviet central committee may follow the party congress which has now ended. The central committee would take measures to carry out the directives of the congress on the Seven-Year Plan and might deal with the demand made at the congress for removal of Bulganin, Pervukhin, and Saburov from the committee.

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Communist China - USSR: Peiping's first editorial comment on the Soviet 21st party congress, carried in People's Daily on 5 February, indicated the Chinese have dropped implications that the communes are a special road to socialism and Communism. The editorial praised the Soviet "road" and Khrushchev's "creative conclusion that the socialist countries will more or less simultaneously pass to Communism," following the "brilliant example" of the Soviet Union.

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6 Feb 59

DAILY BRIEF

ii

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The Soviet economic delegation recently in Baghdad made a proposal to the Iraqi Government for an offshore oil concession on a 90-10 percent profit-sharing basis.

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The pro-Communist minister of economy is said to be pushing the proposal despite the resistance of other members of the cabinet.

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Laos-France: US plans to assume a direct role in training Laotian armed forces are being jeopardized by strong opposition from the French Government. French Ambassador Gassouin in Vientiane has been notified that Paris has decided to reject these plans and is firmly determined to continue its exclusive role in military training. Gassouin interprets this attitude as an intent by Paris to use Laos as a "pilot experiment" in building "a new French Community."

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III. THE WEST

Cuba: After a month in office, the Castro regime faces rising unemployment, mounting labor unrest which if continued will affect the sugar harvest, and an increase in crime because of its failure to organize an effective police force. Rival political groups are awaiting an opportunity to strike out against Fidel Castro's dominant 26 of July Movement. His 3 February speech, in which he implied that the US naval base at Guantanamo Bay is an infringement on Cuba's sovereignty, probably presages a campaign to negotiate a higher rental for the base or other economic concessions, or possibly US withdrawal.

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ok

Venezuela: A former key Communist in Venezuela who was linked with the Caracas riots against Vice President Nixon is apparently in charge of an effort to create disorders against the inauguration of President-elect Betancourt on 13 February. Anti-Betancourt elements may seize upon the arrival of the US delegation to the inauguration on 10 February--the last day of the traditionally violent carnival season--to create a disturbance. [REDACTED]

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6 Feb 59

DAILY BRIEF

iv

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Next 2 Page(s) In Document Exempt

Peiping's First Comment on Soviet 21st Party Congress

Peiping's first comment on the Soviet 21st party congress, carried in the People's Daily on 5 February, indicates the communes will not be considered a special "road to socialism and Communism." Such a "road" had been implied in Chinese statements last summer. Selecting those of Khrushchev's comments which seem most pertinent to the communes, the editorial repeatedly emphasized the correctness of the Soviet leader's views. The editorial does not mention Chou En-lai's reaffirmation at the congress that the communes are the "best form for China to make the transition to socialism and Communism."

The editorial stated that Khrushchev's views apply not only to the USSR "but to all countries passing from socialism to Communism." It acknowledged his position on gradualness and quoted from his congress speech that "what is immature cannot be hurriedly and rashly carried out." While both Khrushchev and the editorial said special conditions of a country should be taken into account, the editorial stressed the Soviet premier's remark that the transition to socialism and Communism is governed by laws of Marxism-Leninism "which cannot be broken or skipped over." The deferential tone of the editorial was emphasized by its agreement with one of Khrushchev's statements which had implied China's future achievements will stem largely from Soviet aid.

The Peiping press has also reported enthusiastic reception for Khrushchev's speech, with "copies sold out very quickly." One indicative comment from a Tientsin scientist states, "The 21st congress is a beacon guiding all people along the happy road of socialism and Communism."

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[REDACTED]

American Plan to Train Laotian Army Opposed by France

{American plans to assume a direct role in training the Laotian Army, a function now exclusively exercised by France in accordance with the 1954 Geneva accord, are apparently unacceptable to France. French Ambassador Gas-souin in Vientiane, who personally has been sympathetic to the US plan, has been notified that the French Government is determined to maintain "all links" with Laos, including its training role. Paris further professes fear that the presence of US military advisers in Laos, in contravention of the restrictive provisions of the Geneva agreement, would heighten tensions in the Indochina area.}

{French failure to provide adequate training has resulted in a serious reduction of the US-financed Laotian Army's capabilities. The French training mission has been reduced from its authorized strength of 1,500 to about 300. There is dissatisfaction within the Laotian Government and Army over inadequacies of the French mission and consideration of a move to break the French monopoly on training. Vientiane is actively considering denouncing the Geneva accord, thus paving the way for the overt introduction of US military officers into Laos and a unilateral Laotian Government request for a US training mission if France continues uncooperative.}

{Paris apparently believes it can preserve and perhaps even increase the remaining French interests in the Indochinese states. De Gaulle, who as President of France is also President of the new French Community, hopes to retain French ties with these states in some fashion, however tenuous, in order to enhance the "grandeur" of France and to lend weight to its role in world affairs. De Gaulle probably also believes that retention of French interest in the area would ensure a French voice in Western policy decisions in the Far East generally, and reinforce French demands for tripartite global policy determination.}

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III. THE WEST

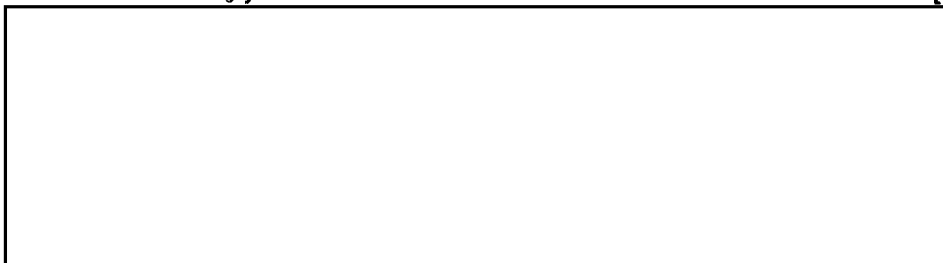
Cuban Government Indecisive in Face of Mounting Problems

After a month in office, Cuba's Provisional President Urrutia has yet to show decisive leadership. Fidel Castro's penchant for making uncoordinated police pronouncements continues to exasperate capable cabinet members. Castro himself still shows no inclination to assume his responsibilities as armed forces chief. Meanwhile, the absence of an effective police force is leading to increased crime.

Mounting labor unrest, due in part to long-pent-up grievances, if continued will affect the vital sugar harvest now under way. By 3 February, 21 of Cuba's 161 sugar mills were idled by strikes and several others were threatened. Construction workers at the American-owned Moa Bay nickel-processing plant have also struck, and sporadic slowdowns and short work stoppages have occurred in Havana and throughout the provinces. The Communists are probably deeply involved. The strikes, in defiance of a government decree temporarily suspending the right to strike, suggest that the young pro-Castro labor leaders may be incapable of controlling Cuba's politically important labor organizations. Unemployment is mounting.

Political unrest is also evident just below the surface. Members of the Revolutionary Directorate, a student group which fought Batista, are still bitter over being denied participation in the government. They may be partially responsible for the chaotic conditions prevailing at the University in Havana, where students have seized control of various schools. Ex-President Prio and his party are outwardly supporting the government but actually waiting for an opportunity to gain the upper hand.

Fidel Castro's 3 February speech, in which he implied that the US naval base at Guantanamo Bay is an infringement on Cuba's sovereignty, may presage a campaign to negotiate for either a higher rental for the base or withdrawal from it and, incidentally, to divert Cuban attention from domestic problems.



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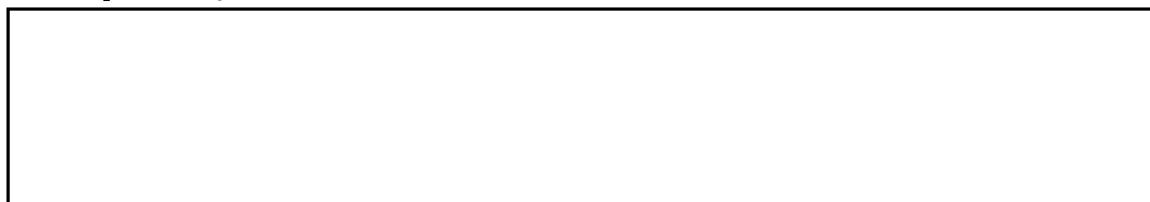
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Demonstrations May Be Planned Against Venezuelan President-elect Betancourt

A former Communist, prominent last May in staging the Caracas riots against Vice President Nixon, is apparently in charge of creating public demonstrations against the inauguration of Venezuelan President-elect Betancourt. Anti-Betancourt elements may seek to embarrass the President-elect by creating a disturbance on the arrival of the US delegation on 10 February--the last day of the traditionally violent carnival season.

The rumored objective of the disturbances is to prepare groundwork for a coup by the Democratic Republican Union party (URD), which cooperated with the Communists in last December's election. In that election, the URD and the Communists received a majority of the vote in the Federal District where the inauguration is to take place. Violence has repeatedly broken out in Caracas during the past year.

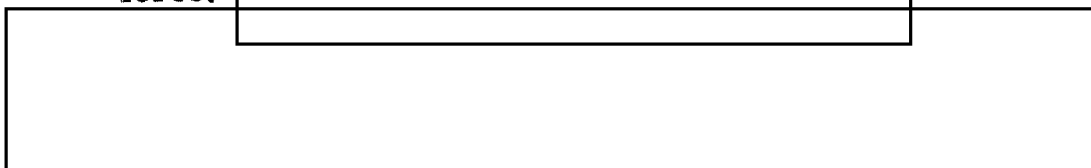


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The incumbent junta government on 5 February issued a decree authorizing police to deal harshly with unauthorized demonstrations and to keep groups suspected of planning demonstrations out of the center of Caracas. The Venezuelan police were disorganized and partly demobilized in early 1958, but some progress has since been made in reconstituting the force.

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